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SENATE BILL 715

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

INTRODUCED BY

Phil A. Griego

AN ACT

RELATING TO TAXATION; PROVIDING FOR A RECYCLING EQUIPMENT TAX CREDIT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

"~~[NEW MATERIAL]~~ RECYCLING EQUIPMENT TAX CREDIT.--

A. A taxpayer may apply for and, if approved by the department, claim a credit pursuant to this section for qualified recycling equipment in an amount equal to ten percent of the value of qualified recycling equipment.

B. The value of qualified recycling equipment shall be the purchase price of the equipment unless the equipment is imported into New Mexico and has been owned for more than one year prior to its importation into New Mexico by the taxpayer

underscoring material = new  
[bracketed material] = delete

underscoring material = new  
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1 applying for the credit, in which case the value shall be the  
2 reasonable value of the equipment at the time of its  
3 importation into New Mexico; provided that no taxpayer shall  
4 for any taxable year claim a value of qualified equipment  
5 greater than one million dollars (\$1,000,000).

6 C. A taxpayer may apply for approval of a credit by  
7 the department within one year following the end of the  
8 calendar year in which the qualified recycling equipment was  
9 purchased or was introduced into New Mexico.

10 D. If the credit is approved by the department, a  
11 taxpayer may claim an amount of available credit against the  
12 taxpayer's compensating tax, gross receipts tax or withholding  
13 tax due to the state of New Mexico but shall not claim an  
14 amount of available credit for any reporting period that  
15 exceeds eighty-five percent of the sum of the taxpayer's gross  
16 receipts tax, compensating tax and withholding tax due for that  
17 reporting period. Any amount of available credit not claimed  
18 for a reporting period may be claimed in subsequent reporting  
19 periods.

20 E. The department shall provide credit claim forms.  
21 A credit claim shall accompany any return to which the taxpayer  
22 wishes to apply an approved credit, and the claim shall specify  
23 the amount of credit intended to apply to each return.

24 F. As used in this section, "qualified recycling  
25 equipment" means equipment that:

.155203.1

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[bracketed material] = delete

- 1 (1) is in New Mexico;
- 2 (2) is incorporated or to be incorporated
- 3 within one year into an operation to recycle material or
- 4 produce products from recycled materials and approved by the
- 5 department with the advice of the department of environment;
- 6 (3) was purchased or imported into New Mexico
- 7 after July 1, 2005 by a business for the purpose of recycling;
- 8 (4) is owned by:
- 9 (a) the taxpayer; or
- 10 (b) the United States or an agency or
- 11 instrumentality of the United States or the state or a
- 12 political subdivision of the state and leased or subleased to
- 13 the taxpayer;
- 14 (5) shall not have been previously used in New
- 15 Mexico or not previously approved for a credit under the
- 16 Investment Credit Act; and
- 17 (6) does not include a vehicle that leaves the
- 18 site of the recycling operation for purposes of transporting
- 19 persons or property or any property for which the taxpayer
- 20 claims the credit pursuant to Section 7-9-79 NMSA 1978."